

**SOLICITOR**

<p>TO: <b>Mail Stop 8</b>  <b>Director of the U.S. Patent and Trademark Office</b>  <b>P.O. Box 1450</b>  <b>Alexandria, VA 22313-1450</b></p>	<p style="text-align: center;"><b>REPORT ON THE</b>  <b>1 2 2007 FILING OR DETERMINATION OF AN</b>  <b>ACTION REGARDING A PATENT OR</b>  <b>TRADEMARK OFFICE TRADEMARK</b></p>
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In Compliance with 35 U.S.C. § 290 and/or 15 U.S.C. § 1116 you are hereby advised that a court action has been filed in the U.S. District Court District of Arizona on the following ☐ Patents or ☐ Trademarks:

DOCKET NO. CV07-01895-PHX-HRH	DATE FILED 10/05/07	U.S. DISTRICT COURT District of Arizona
PLAINTIFF State Farm Bank, FSB		DEFENDANT LPL Licensing, LLC and Phoenix Licensing, LLC

  

PATENT OR TRADEMARK NO.	DATE OF PATENT OR TRADEMARK	HOLDER OF PATENT OR TRADEMARK
1 SEE ATTACHED		
2 5,987,434		
3 6,076,072		
4 6,999,938		
5		

In the above—entitled case, the following patent(s)/ trademark(s) have been included:

DATE INCLUDED	INCLUDED BY
	<input type="checkbox"/> Amendment <input type="checkbox"/> Answer <input type="checkbox"/> Cross Bill <input type="checkbox"/> Other Pleading

  

PATENT OR TRADEMARK NO.	DATE OF PATENT OR TRADEMARK	HOLDER OF PATENT OR TRADEMARK
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In the above—entitled case, the following decision has been rendered or judgement issued:

DECISION/JUDGEMENT
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CLERK RICHARD H. WEARE	(BY) DEPUTY CLERK	DATE
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Copy 1—Upon initiation of action, mail this copy to Director    Copy 3—Upon termination of action, mail this copy to Director  
 Copy 2—Upon filing document adding patent(s), mail this copy to Director    Copy 4—Case file copy

STD

**U.S. District Court  
DISTRICT OF ARIZONA (Phoenix Division)  
CIVIL DOCKET FOR CASE #: 2:07-cv-01895-HRH  
Internal Use Only**

State Farm Bank, F.S.B. v. LPL Licensing, L.L.C. et al  
Assigned to: Judge H Russel Holland  
Cause: 28:2201 Declaratory Judgement (Insurance)

Date Filed: 10/04/2007  
Jury Demand: None  
Nature of Suit: 830 Patent  
Jurisdiction: Federal Question

**Plaintiff****State Farm Bank, F.S.B.**

represented by **Ray Kendall Harris**  
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*ATTORNEY TO BE NOTICED*

V.

**Defendant****LPL Licensing, L.L.C.****Defendant****Phoenix Licensing, L.L.C.**

Date Filed	#	Docket Text
10/04/2007	<a href="#"><u>1</u></a>	COMPLAINT. Filing fee received: \$ 350.00, receipt number 1487395, filed by State Farm Bank, F.S.B.. (Attachments: # <a href="#"><u>1</u></a> Exhibit A# <a href="#"><u>2</u></a> Exhibit B# <a href="#"><u>3</u></a> Exhibit C# <a href="#"><u>4</u></a> Summons LPL Licensing Summons# <a href="#"><u>5</u></a> Summons Phoenix Licensing Summons# <a href="#"><u>6</u></a> Civil Cover Sheet)(Harris, Ray) (Entered: 10/04/2007)
10/04/2007	<a href="#"><u>3</u></a>	This case has been assigned to the Honorable H. Russel Holland. All future pleadings or documents should bear the correct case number: CV07-01895-PHX-HRH. (entered by HHH) (Entered: 10/05/2007)
10/05/2007	<a href="#"><u>2</u></a>	Summons Issued as to LPL Licensing, L.L.C. and Phoenix Licensing, L.L.C.. (Attachments: # <a href="#"><u>1</u></a> Phoenix Licensing# <a href="#"><u>2</u></a> Notice of Availability form)(HHH). *** IMPORTANT: You must select "Document and stamps" or "Document and comments" on the print screen in order for the court seal to appear on the summons you print. (Entered: 10/05/2007)



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6  
7

8 UNITED STATES DISTRICT COURT  
9 DISTRICT OF ARIZONA

10 State Farm Bank, F.S.B.,

11 Plaintiff,

12 v.

13 LPL Licensing, L.L.C.; Phoenix  
Licensing, L.L.C.,

14 Defendants.  
15

No. \_\_\_\_\_

**COMPLAINT FOR DECLARATORY  
JUDGMENT**

16 1. Plaintiff State Farm Bank F.S.B. ("State Farm Bank") alleges as follows for  
17 its Complaint for Declaratory Judgment against Defendants LPL Licensing, L.L.C.  
18 ("LPL") and Phoenix Licensing, L.L.C. ("Phoenix") (collectively "Defendants"):

19 **Parties**

20 2. Plaintiff State Farm Bank is a federal savings bank having its principal place  
21 of business located at One State Farm Plaza, Bloomington, Illinois, 61710. State Farm  
22 Bank is focused on consumer-oriented financial products.

23 3. On information and belief, Defendant LPL Licensing, L.L.C. is a Delaware  
24 limited liability company having a principal place of business at 10947 East Lillian Lane,  
25 Scottsdale, AZ 85255.

26 4. On information and belief, Defendant Phoenix Licensing, L.L.C. is an

1 Arizona limited liability company having a principal place of business at 10947 East  
2 Lillian Lane, Scottsdale, AZ 85255.

3 **Jurisdiction and Venue**

4 5. State Farm Bank brings this civil action under the Patent Laws, Title 35 of  
5 the United States Code, and under 28 U.S.C. § 2201 to obtain a declaration of  
6 noninfringement and/or invalidity with respect to U.S. Patent Nos. 5,987,434; 6,076,072;  
7 and 6,999,938 (“the patents-in-suit”).

8 6. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and  
9 1338(a) because this action arises under the Patent Laws of the United States.

10 7. On information and belief, both LPL and Phoenix have principal places of  
11 business in this district.

12 8. Venue is proper under Title 28 U.S. Code §§ 1391(b) and 1391(c), because  
13 *inter alia* both LPL and Phoenix reside in this venue.

14 **Background**

15 9. On information and belief, Phoenix is the assignee of the patents-in-suit;  
16 LPL has the exclusive right to license the patents-in-suit; and LPL at all times has acted in  
17 concert with and/or with the approval of Phoenix. On information and belief, the patents-  
18 in-suit are alleged to relate to apparatuses and methods for transacting, marketing, and  
19 selling financial products.

20 10. On June 24, 2005, LPL sent Mr. Stan Ommen, President of State Farm  
21 Bank, a letter alleging that State Farm Bank infringes multiple claims of U.S. Patent No.  
22 5,987,434. In the same correspondence, LPL alleged that State Farm Bank and its affiliate  
23 companies in the “State Farm Group” are infringing claims of U.S. Patent No. 6,076,072.  
24 For the next 18 months, the parties communicated periodically, wherein LPL demanded  
25 that State Farm Bank pay for a license to use the subject matter of the patents-in-suit.

26

1           11. As of February of 2007, LPL began to threaten State Farm Bank with patent  
2 litigation. On February 15, 2007, Mr. Rick Tache, LPL's attorney, communicated a  
3 calculation of royalties corresponding to a paid-up license. State Farm Bank  
4 communicated through its counsel to LPL that State Farm Bank would not pay the  
5 demanded royalty.

6           12. On April 24, 2007, Mr. Rick Tache and Mr. Shawn Diedtrich, an attorney  
7 and representative of LPL, respectively, met with State Farm Bank's counsel at counsel's  
8 offices in Austin, Texas. LPL representatives alleged that State Farm Bank infringed the  
9 patents-in-suit and supported their allegations as to U.S. Patent Nos. 5,987,434 and  
10 6,999,938 with detailed claim charts and documents. At the meeting, the LPL  
11 representatives argued that State Farm Bank's sales and marketing practices, customer  
12 communications, and advertisements fall within the claims of the patents-in-suit. The  
13 LPL representatives demanded that State Farm Bank pay for a license to use the subject  
14 matter of the patents-in-suit.

15           13. On June 19, 2007, LPL's attorney, Mr. Rick Tache, contacted counsel for  
16 State Farm Bank and demanded that State Farm Bank pay for a license to use the subject  
17 matter of the patents-in-suit. During the telephone call, Mr. Tache further threatened State  
18 Farm Bank with patent litigation as follows.

19                   If State Farm's answer is that State Farm is not interested in a  
20 license, then LPL will investigate its options. There is simply  
21 too much money on the table for LPL to walk away. LPL will  
eventually have to sue someone and it might as well be State  
Farm.

22                   I am not litigation counsel for LPL, so it makes no difference  
23 to me if State Farm wants to litigate. But I can tell you that  
24 LPL is talking to litigation counsel in Texas about its litigation  
options on several issues.

25           14. On July 10, 2007, State Farm Mutual Automobile Insurance Company filed  
26 a declaratory judgment action (case no.: cv07-1329) in the United States District Court

1 for the District of Arizona.

2 15. On August 31, 2007, LPL and Phoenix filed case no.: 2-07cv-387 in the  
3 United States District Court for the Eastern District of Texas, Marshall Division, naming  
4 State Farm Bank, State Farm Mutual Automobile Insurance Company and 21 other  
5 defendants. LPL and Phoenix charged the defendants with infringement of the patents-in-  
6 suit.

7 16. In view of the facts and circumstances here, including: (1) LPL's assertions  
8 that State Farm Bank infringes the patents-in-suit, (2) LPL's demands that State Farm  
9 Bank pay royalties based upon identified activity of State Farm Bank, (3) LPL's threats of  
10 a patent infringement lawsuit against State Farm Bank, (4) State Farm Bank's contention  
11 that it has the right to engage in its accused sales and marketing practices without license,  
12 and (5) LPL and Phoenix suing State Farm Bank in Texas, an actual controversy exists  
13 between State Farm Bank and Defendants.

14 **First Count: Declaratory Judgment of Noninfringement**  
15 **and Invalidity of U.S. Patent No. 5,987,434**

16 17. State Farm Bank hereby restates and re-alleges the allegations set forth in  
17 paragraphs 1-16 and incorporates them by reference.

18 18. On information and belief, Phoenix is the owner by assignment of U.S.  
19 Patent No. 5,987,434, entitled "Apparatus and Method for Transacting Marketing and  
20 Sales of Financial Products." A copy of U.S. Patent No. 5,987,434 is attached as  
21 Exhibit A.

22 19. State Farm Bank has not infringed, is not infringing, directly, indirectly,  
23 contributorily, or otherwise, any valid claim of U.S. Patent No. 5,987,434.

24 20. State Farm Bank cannot be liable for infringement of U.S. Patent No.  
25 5,987,434 because the claims are invalid under one or more provisions of 35 U.S.C. §§  
26 102, 103, and/or 112.

1                   **Second Count: Declaratory Judgment of Noninfringement**  
2                   **and Invalidity of U.S. Patent No. 6,076,072**

3           21.     State Farm Bank hereby restates and re-alleges the allegations set forth in  
4 paragraphs 1-20 and incorporates them by reference.

5           22.     On information and belief, Phoenix is the owner by assignment of U.S.  
6 Patent No. 6,076,072, entitled "Method and Apparatus for Preparing Client  
7 Communications Involving Financial Products and Services." A copy of U.S. Patent No.  
8 6,076,072 is attached as Exhibit B.

9           23.     State Farm Bank has not infringed, is not infringing, directly, indirectly,  
10 contributorily, or otherwise, any valid claim of U.S. Patent No. 6,076,072.

11           24.     State Farm Bank cannot be liable for infringement of U.S. Patent No.  
12 6,076,072 because the claims are invalid under one or more provisions of 35 U.S.C. §§  
13 102, 103, and/or 112.

14                   **Third Count: Declaratory Judgment of Noninfringement**  
15                   **and Invalidity of U.S. Patent No. 6,999,938**

16           25.     State Farm Bank hereby restates and re-alleges the allegations set forth in  
17 paragraphs 1-24 and incorporates them by reference.

18           26.     On information and belief, Phoenix is the owner by assignment of U.S.  
19 Patent No. 6,999,938, entitled "Automated Reply Generation Direct Marketing System."  
20 A copy of U.S. Patent No. 6,999,938 is attached as Exhibit C.

21           27.     State Farm Bank has not infringed, is not infringing, directly, indirectly,  
22 contributorily, or otherwise, any valid claim of U.S. Patent No. 6,999,938.

23           28.     State Farm Bank cannot be liable for infringement of U.S. Patent No.  
24 6,999,938 because the claims are invalid under one or more provisions of 35 U.S.C. §§  
25 102, 103, and/or 112.  
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